

Submitted on January 30, 2024 | 07:57 AM

Comment Type

Public Comment

First Name

Richard

Last Name

Williams

Email

jrww1946@cox.net

Received Date

Publish Status

Comment

Letter Attached

The proposed acquisition of Blue Cross by Elevance should be viewed through a strategic lens. Louisiana has less than 1.5% of the U.S. population. BCBSLA has 1.9 million members that represent about 1% of the total members covered by BCBS nationally. According to the latest available statistics, 24.8% of Louisiana residents have Medicaid, 14.9% have Medicare, 3.4% have TriCare (military), 8.5% are uninsured, BCBSLA has 41.3% and 7.1% are insured by other insurance companies.

BCBSLA's growth potential is 7% if it acquires the members of its competition. BCBSLA's license is limited to the boundaries of Louisiana, so growth potential is minute. Operating costs will continue to increase with little opportunity to cover cost increases without raising rates or decreasing reimbursements to hospitals and physicians, or both.

Some worry about the sale of a nonprofit organization to a for-profit publicly traded company believing that a nonprofit company does not make a profit and a for-profit company is only concerned about profits. Nonprofit companies must make a profit to pay operating costs and save money for future growth in order to stay in business just like for-profit companies. The label of "nonprofit" is a tax designation in the IRS rules. Nonprofits must make a profit to continue to exist.

Elevance has access to the populations of 14 states for enrollment growth and access to capital from investors on Wall Street. Its substantial assets, stockholders and economies of scale allow it to obtain the latest technology and manage cost increases much more effectively than BCBSLA can do in a state with limited growth potential.

If we evaluate the proposed acquisition from a strategic perspective that provides a sustainable future growth path for BCBSLA through the Elevance multi-state consortium, the future looks much brighter for its policyholders, employees, providers and the state of Louisiana.

**RICHARD WILLIAMS**